

# **Voucher Rate Setting**

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# Voucher Rate Setting: Factors to Consider

The City of Albuquerque considered the following in establishing its treatment vouchers:

1. What types of vouchers did we need?
2. What kinds of services should be provided and billed for under the voucher?
3. What kind of rates should we have for each service?

# Voucher Types

The City of Albuquerque decided to establish voucher types based on Levels of Care. The following voucher “types” and their values were established:

- Early Intervention (\$390)
- Outpatient (\$1,170)
- Outpatient w/Methadone (\$2,730)
- Outpatient w/Detoxification (\$2,300)
- Intensive Outpatient (\$2,300)
- Intensive Outpatient w/ Methadone (\$3,510)
- Intensive Outpatient w/Detoxification (\$2,730)
- Day Treatment (\$2,520)

## System Details

- When the system was established in 1997, the City of Albuquerque provided all funds for the vouchers
- Due to limited funding, the City had to “cap”, or limit, vouchers (no guarantee for coverage of the full cost of treatment)

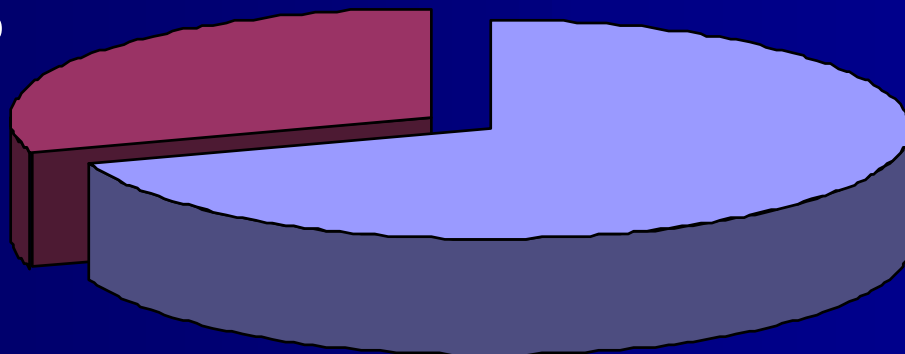
## System Details (cont'd)

- Although the City is unable to fund residential or inpatient vouchers, the central intake site makes unsubsidized referrals to state-supported residential and inpatient services
- The City now receives some State general funds that are passed through the County specific to treatment of DWI offenders

## **System Details (cont'd)**

### **Funding ratio for Vouchers**

**State  
30%**



**City \*  
70%**

**\*City does not receive federal block grant dollars**

## System Details (cont'd)

- If client needs to continue treatment after voucher funds are exhausted, treatment provider is expected to work with client via sliding fee scale to maintain client
- Voucher is good for one year from date of its issue; client can return and balance of voucher will be available

## Allowable Voucher Services

- Explored kinds of services normally provided in treatment settings
- City wanted to track discrete treatment services by site
  - To explore level of provider sophistication
  - To be able to compare service mix with length of stay and treatment outcomes



# Allowable Voucher Services (cont'd)

We developed a set of allowable treatment services as follows:

- Education group
- Individual therapy
- Group therapy
- Crisis intervention
- Case management
- Family therapy with client
- Family therapy without client
- Multi-family group
- Outpatient detoxification
- Methadone dosage
- Methadone induction
- Outpatient detoxification
- Day treatment
- Psychological evaluation

# Service Rates

- Determination of services rates was accomplished through:
  1. Market survey of provider billing rates
  2. Communication with the Single State Agency
  3. Communication with the State Medicaid Agency
- Rates were then set to be competitive, but also within budget

# **Operational Problems Encountered and Lessons Learned**

- Due to limitations of local funding, could only fund outpatient services
- How to decide which therapeutic services to pay for under voucher
- How to set rates that are competitive in the existing treatment community

# **Operational Problems Encountered and Lessons Learned (cont'd)**

- How to maintain clients in services when voucher fund pool is exhausted for the quarter
- How to ensure compliance with provider service reporting requirements